

Q3-2018 Healthcare IT Update



Market Update

As the population continues to age, companies have increased their efforts to support preventive care. Both Apple, Amazon, and Microsoft have begun investing in healthcare IT applications to assist the aging population, causing entrepreneurs to follow suit. Digital health entrepreneurs aren't just raising larger rounds, they're also raising sequential rounds closer together than ever before. While start up funding has continued to accelerate, already surpassing the 2017 funding total of \$5.7B, merger and acquisition activity has remained stagnant. As some of these early stage companies begin to mature, Provident expects the number of exits to drastically increase, providing ample investment opportunity for both strategic and private equity investors.

HCIT Public Comparable Companies

Select Public Healthcare IT Trading Multiples					
Company	Share Price	Revenue	EBITDA	EV/REV	EV/EBITDA
Allscripts	\$13.79	\$2.01B	\$333.55M	1.98x	15.79x
Athenahealth	\$124.10	\$1.29B	\$281.70M	5.19x	26.09x
Cerner	\$63.81	\$5.25B	\$1.50B	3.74x	12.72x

As of 10/09/2018

Select Transactions:

Month	Acquirer	Target	Target :		
			Business Segment	Headquarters	Deal Size
September	Welltok	Wellpass	Enterprise SaaS	Arlington, VA	N/A
September	LogistiCare	Circulation	Analytics	Boston, MA	\$44 million
September	Tabula Rasa Healthcare	Mediture and eClusive	Electronic Health Record Management	Eden Prairie, MN	N/A
August	SmartER	ConciergeStat	Care Coordination	New York, NY	N/A
August	WellBrain	Mevoked	Behavioral Analytics	San Francisco, CA	N/A
August	Mediware	Rock Pond Solutions	Intelligence and Analytics	Conway, AR	N/A
August	Best Buy	GreatCall	Connected Health	San Diego, CA	\$800 million
August	WebMD	Vitals Consumer Services Division	Digital Health	Lyndhurst, NJ	N/A
July	Publicis Health	Payer Sciences	Data and Analytics	Morristown, NJ	N/A

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Industry Conferences

The Provident Healthcare Partners investment banking team regularly attends conferences and other events related to the healthcare IT sector. We invite industry executives and shareholders to reach out for a confidential meeting to gain a more detailed perspective on valuations and transaction activity within the sector.